

Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES
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CHAIRMAN

Committee on Ways and Means

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To the Honorable Members of the Massachusetts House of Representatives:

In this document the House of Representatives Committee on Ways and Means presents its recommendations for the Commonwealth of Massachusetts' Fiscal Year 2011 General Appropriation Act. The following recommendations are forwarded with a genuine sense of unease, for we understand the impact many of these funding decisions will have on residents across the state. While at the same time there is also a sense of hope that we have successfully managed the burden of balancing the state's budget in a manner that leaves us better positioned for the future.

Our Commonwealth and our nation continue in their fiscal malaise with no clear end in sight. Understanding that the economic downturn has strained the budgets of both families and businesses all across this state, the proposed budget does not call for the increase of any taxes. Consequently, with the state facing a declining tax revenue stream, a reduction in federal assistance, and continuing high unemployment levels, we are required to do more with less. We are obligated to balance what is already a strained budget by further reducing state spending, which will inevitably result in less governmental assistance in some critical areas, continued layoffs throughout state government, and many other harmful impacts across the Commonwealth.

However, it is imperative that we move forward with a sense of optimism, as forced as it may be, for we have no choice but to weather this fiscal storm in which we find ourselves. The budget proposal before you is based upon a consensus revenue projection of \$19.05 billion, \$1.6 billion in federal stimulus money provided to the state as part of the *American Recovery and Reinvestment Act of 2009*, and \$1.4 billion in cuts from expected maintenance funding to various line items, agencies, and programs. Recognizing that the road to economic recovery will be long and may include further bumps, we have developed this budget without a draw from the Commonwealth's stabilization fund. Overall, the budget proposal reflects our current fiscal reality and we remain hopeful that by making the difficult choices today, the state will be better situated when the economy rebounds.

Reluctantly, as part of the reductions, we are recommending a cut in both Chapter 70 aid and unrestricted government aid to cities and towns in an amount not to exceed 4%. Such options

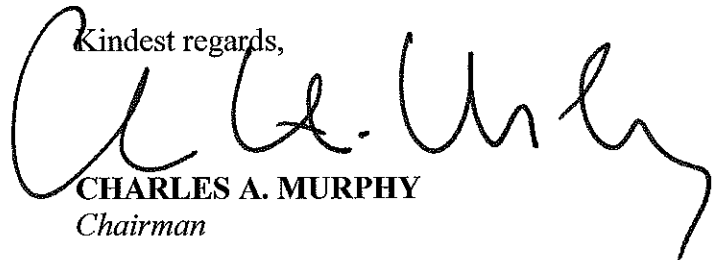
are not easy ones to suggest as we are cognizant of the importance these two forms of local aid play in municipal budgets across the Commonwealth. While reductions to these accounts are necessary, we are recommending that other local aid related line items receive level or increased funding. Specifically, we have proposed level funding the payment in lieu of taxes, while increasing funding for special education circuit breaker accounts by 1.4% and regional school transportation funding by 5%.

I would like to thank the members of the House Committee on Ways and Means for their input during the creation of this budget proposal, as well as all the other members of the House of Representatives who met with me over the past eight weeks to share their thoughts and concerns on the budget. Additionally, I want to expressly thank my Vice-Chair, Representative Barbara L'Italien of Andover, and Assistant Vice-Chair, Representative Steven Kulik of Worthington, for their invaluable assistance in meeting with colleagues on various budget related working groups.

As we proceed forward with the FY11 budget debate, it is important that we remain mindful of the coming fiscal years. We must acknowledge that our Commonwealth and our nation have yet to begin an economic resurgence in earnest and until that time we must stay focused on efficiency, maintaining our core mission, and being fiscally responsible.

Make no mistake about it; we are living in very challenging and difficult times. As legislators we are elected to lead and often times that leadership requires each of us to make tough decisions. This budget proposal includes an array of tough decisions, however, taken as a whole it is realistic, responsible, and balanced.

Kindest regards,

A handwritten signature in black ink, appearing to read "C. A. Murphy", written over the printed name.

CHARLES A. MURPHY
Chairman